

**Arizona Corporation Commission  
Meeting Minutes**

DATE: September 23, 2005

TIME: 9:30 a.m.

PLACE: Arizona Department of Environmental Quality, 1110 W. Washington Street #250 Phoenix, Arizona 85007

ATTENDANCE: No quorum of Commissioners. See attendance list on Attachment 1.

TOPIC: DISTRIBUTED GENERATION WORKSHOPS  
DOCKET NO. E-00000A-99-0431

The following documents were provided at the workshop:

- Staff Draft Discussion Document dated September 12, 2005
- Revised language for Section 4.8 Screens, of the August 26, 2005, discussion document provided by Tom Yost of Arizona Public Service (“APS”)
- Illustration of Interconnection Review Process Flowchart provided by Chris Cook of Sun Edison

Ms. Barbara Keene of Commission Staff welcomed the participants of the workshop and each participant made a self-introduction. Bill Murphy of the Distributed Energy Association of Arizona and Valerie Rauluk of the Greater Tucson Coalition for Solar Energy provided a brief presentation on behalf of the Committee. It was discussed that the Committee has had three meetings to date and that the minutes are complete for the first two meetings. Ms. Rauluk indicated that she would provide the Committee meeting minutes to Staff and Staff would distribute the minutes to the group. It was discussed that the minutes would provide a designation of items which are agreed to by the Committee and which items are still under further consideration. It was discussed that the Committee has spent much of its time working on developing the levels or categories of generators. It was discussed that the Committee has identified three buckets or categories. The under 10 kW line commutated inverter category would fall under the “super fast track” procedures or first bucket, 10 kW possibly to 2 MW would fall under the “fast track” category or second bucket, the third bucket would be the “normal track” which are all others not subject to the Federal Energy Regulatory Commission’s (“FERC”) jurisdiction and would not include an expedited process. Comment was made by the utilities that the group is still working on the details of the second bucket. The next meeting of the Committee is scheduled for September 29, 2005 and the focus of the meeting will be to further discuss the second bucket.

Tom Yost of APS presented a handout to the group which presented revisions to section 4.8, Screens, of the August 26, 2005 discussion document. It was noted that not

all changes on the handout were highlighted. It was discussed that the screens provided in the document would apply to the first and second buckets and if an applicant would not meet the requirements of the screen section the applicant would qualify for the third bucket. Comment was made that the screening criteria included in the handout was very similar to the FERC process. The utilities will be looking at the Screens section further in the Committee, and the document may be modified.

It was also discussed that Tom Yost of APS would be replacing Scott Swanson as the utility chair of the Committee.

Chris Cook of Sun Edison presented a flowchart that he prepared that illustrates the interconnection review process. The group discussed several issues including the timing of the filing of the application in the context of the flowchart. The question of does the application start the process or does the process begin prior to the application being filed was discussed as well as the types of information the customer would be given upon expressing interest. Comment was also made that the stringency of the level 2 screens a through j should be discussed further. The issue of the application of screens to non-export generators and the issue of voltage regulators was discussed at length. It was noted that this document is an initial attempt to identify the process; however, the group will modify the document as the group reaches further agreement on the process. Mr. Cook volunteered to provide a FERC 2006 document to Staff, and Staff will forward it to the group.

The group discussed the September 12, 2005, Discussion Document in detail.

Under Section 1.1 Applicable Facilities, it was discussed that the section will need to be modified to accommodate the utilities' desire to account for line commutated inverters.

Under section 1.4.1 Separate System, it was discussed that a separate system is the only system that needs interconnection standards. It was also discussed that a parallel system can transition to a separate system. The issue of "make before break" was discussed in relation to customer size. The utilities indicated that they have the ability to allow "make before break." It was also discussed that this section could be removed and replaced with parallel instant, parallel constant, and separate without grid tie. It was determined that this issue required further discussion by the Committee in an effort to come up with the definitions of the three scenarios. Ms. Rauluk volunteered to come up with language that addressed the issue of a parallel system transitioning to a separate system to be reviewed by the Committee.

Under Section 2.2 Utility Rights and Responsibilities, in the third paragraph it was discussed that language should be added regarding mutually agreeable terms in connection with not meeting the deadline. It was also discussed that this issue could be addressed in the "process section" of the document.

Under Section 2.3 Easements/Rights of Way, it was discussed that the types of equipment the utility may need access to would include but not be limited to metering equipment, disconnect switch, interconnection facilities, service drop, and utility owned facilities. These items should be added to this section to add clarification.

Under Section 2.4 Insurance, it was discussed that the issue of insurance is more of a policy issue than a technical issue and will not be addressed by the Committee. The group agreed to send comments to Staff regarding their position on insurance.

Under Section 2.5 Non-Circumvention, it was discussed that APS will put together revised language for this section and bring it to the Committee for further discussion.

The language included in Section 2.6 Force Majeure, was tentatively agreed to by the group. However, it was noted that the participants' attorneys needed to review this language. It was discussed that if any participant has additional language it should be sent to Staff.

The language in section 2.7 Indemnity was discussed. It was discussed that it was not symmetrical and should include requirements for both the applicant and the utility. The group agreed to submit recommended language for this section to Staff.

Under section 2.8 Other Issues, the "No Additional Requirements" paragraph was discussed by the group. The issue of which party pays for the additional expense associated with additional equipment required for power control or protective equipment was also discussed. APS agreed to propose revised language for this section to be reviewed by the Committee.

It was discussed that the following changes would be made to the definition section of the discussion document.

- Section 3 Definitions, in its entirety, would be moved to the end of the document.
- The definition of "Islanding" should be split into 4 sections and should be modified to adopt IEEE 1547. The sections include: planned, unintentional, intentional, and non-islanding.
- Under the definition of "Points of Interconnection" the word interconnection should be added after "resources" at the end of the last sentence.
- The term "Point of Common Coupling" should refer to point of distributed resources.
- The definition for "Queue Position" should be taken from the FERC Large Generator Interconnection document.

- The definition of “Small Power Production Facility,” “Cogeneration Facility,” and “Qualifying Facility” should be removed because interconnection standards would apply to any generator that qualifies under the standard.
- The definition of “Area Network” should be removed. The current definitions for “Primary Network,” “Secondary Spot Network Service,” “Spot Network,” and “Network Service” are similar and should be condensed into two definitions. APS will work on coming up with language for these definitions for review by the Committee. Other utilities will also check to see if they have any “Network Service” facilities.

Under Section 4.1 Designation of Contact Persons, it was discussed that a backup person should be designated by the utility if the original contact person is out of the office. However, it was decided that this provision would not need to be added to the rule. Also, the subsection titled “Prior to Applying” should be moved to section 4.2, General Process and Procedures.

Under Section 4.2 General Process and Procedures, the “Non-Discrimination” section was discussed by the group. It was determined that the last sentence should be removed regarding the order in which applications are processed. APS will work on coming up with additional language to be reviewed by the Committee to address the order of processing applications.

It was discussed that issues that the group has reached agreement on still need to go back to the companies for final approval. It was also discussed that hot topics should be identified on the working document.

It was determined that work assignments would be due to Staff by October 7<sup>th</sup>, 2005, so that they can be incorporated into the next draft document. A due date was not set for work assignments due to the Committee.

It was also discussed that the Committee chairs would keep Staff informed about the date and time of the Committee meetings, and the meeting minutes would be forwarded to Staff upon their completion.

**Group members were asked to email comments due to Staff to [eandreasen@azcc.gov](mailto:eandreasen@azcc.gov) and [bkeene@azcc.gov](mailto:bkeene@azcc.gov) by October 7, 2005.**

The next workshop will be held on **Friday, October 21, 2005, from 9:30 a.m. to 4:00 p.m. in the 1<sup>st</sup> Floor Hearing Room at 1200 W. Washington Street, Phoenix, AZ 85007.** A workshop agenda will be forwarded to the group prior to the workshop date.

<b>Attendees at the Distributed Generation Workshop September 23, 2005</b>	
<b><u>Name</u></b>	<b><u>Representing</u></b>
Erinn Andreasen	Commission Staff
Torey Bell	Sulphur Springs Valley Electric Cooperative
Bob Baltes	Distributed Energy Association of Arizona
Steve Bischoff	Arizona Public Service
Jana Brandt	Salt River Project
Richard Brill	Deluge, Inc.
Christine Brinker	Intermountain CHP Center
Brian Cole	Arizona Public Service
Chris Cook	ASPV/IREC/Sun Edison
Travis Cunningham	Salt River Project
Douglas Fant	Distributed Energy Association of Arizona
Pauline Foley	Pinnacle West
Art Fregoso	Tucson Electric Power
Bryan Gernet	Arizona Public Service
Lori Glover	Solid USA
Brian Hageman	Deluge, Inc.
Bill Henry	Tucson Electric Power
Barbara Keene	Commission Staff
Bill Murphy	Distributed Energy Association of Arizona
Ernest Nedd	Residential Utility Consumer Office
Brian O'Donnell	Southwest Gas
Ron Onate	Arizona Public Service
Ernie Palomino	Salt River Project
Valerie Rauluk	Greater Tucson Coalition for Solar Energy
Russ Romney	Curtis, Goodwin, Sullivan, Udall & Schwab
David Rumolo	Arizona Public Service
Chuck Skidmore	City of Scottsdale
Aaron Stallings	Mohave Electric Cooperative
John Wallace	Grand Canyon State Electric Cooperative Association
Chris Weathers	Arizona Public Service
Ray Williamson	Commission Staff
Daniel Wilson	Sulphur Springs Valley Electric Cooperative
Tom Yost	Arizona Public Service